

ULTRAPAR HOLDINGS INC.

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ITEM

1. Notice regarding Oxiteno expansion to its acetate production unit dated July 25, 2008
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ULTRAPAR PARTICIPAÇÕES S.A.

Oxiteno Announces Expansion to Its Acetate Production Unit

São Paulo, Brazil, July 25, 2008 – ULTRAPAR PARTICIPAÇÕES S.A. (BOVESPA:UGPA4/NYSE:UGP), a company engaged in fuel distribution (Ultragaz/Ipiranga), the production of chemicals (Oxiteno), and in providing integrated logistics solutions for special bulk cargo (Ultracargo), hereby announces that Oxiteno, the largest producer of specialty chemicals in Latin America, is investing in a new acetate unit at Mauá (SP). The object of this investment is to increase the supply of solvents and strengthen the company's leading position in the solvent market, throughout Mercosur.

Through this unit Oxiteno will be expanding its portfolio of products, adding new acetates to its product line, expanding its production capacity with an additional volume of 40,000 tons/year, more than doubling production capacity of this product line in Brazil. This unit is expected to start operations in the second half of 2009, and will strengthen Oxiteno's position as a significant supplier of raw material to the resin, paint, varnish and thinners markets, which have been growing strongly as a result of the growth in the automotive, building and packaging sectors.

Increasing its acetate production capacity is one of the initiatives that Oxiteno has been taking with the aim of increasing its market share. The investment budget has been estimated at R\$ 51 million, and forms part of the company's 2008 and 2009 investment plan, estimated at R\$ 650 million, which will significantly expand production volumes - with higher sales both in Brazil as well as other countries where the company has operations. In addition to solvents, it is also planned to increase the production capacity of ethylene oxide, ethoxilates, ethanalamines, as well as the building of a new oleochemicals plant.

André Covre

Chief Financial and Investor Relations Officer

ULTRAPAR PARTICIPAÇÕES S.A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 28, 2008

ULTRAPAR HOLDINGS INC.

By: */s/ André Covre*
Name: André Covre
Title: Chief Financial and Investor Relations Officer

(Oxiteno Expansion)
